

Congress of the United States

Washington, DC 20515

The Honorable Emory A. Rounds
Director
U.S. Office of Government Ethics
1201 New York Avenue NW, Suite 500
Washington, DC 20005

August 25, 2020

Dear Director Rounds:

I'm writing with regard to certain important ethical questions around Postmaster General Louis DeJoy's conflicts of interest and the apparent failure of the United States Postal Service's Ethics Office to properly enforce its ethics program.

As has been reported by a number of news outlets, Mr. DeJoy holds an ownership stake of between \$30 million and \$75 million in XPO Logistics, a United States Postal Service contractor.¹ Just this week, records emerged demonstrating that Mr. DeJoy not only received between \$1.2 million and \$7 million from XPO Logistics last year but that he also received millions in rental payments from XPO Logistics for the use of buildings he still owns.² This comes in addition to other reported potential conflicts of interest including his recent, post-appointment acquisition of options to buy Amazon stocks at a lower price than their current levels, while in a position to potentially increase their value through USPS policies that could benefit the company at the expense of others.³

The Office of Government Ethics (OGE) has issued guidance stating that the conflict of interest statute applicable to executive branch employees applies to an employee's stock interests. Your agency explained that, under 18 U.S.C. § 208, "executive branch employees are prohibited from participating personally and substantially in any particular matter that they know would have a direct and predictable effect on their own financial interest or financial interests imputed to them."⁴ With respect to an employee's stock holdings, your agency also noted that "[s]tock constitutes ownership rights in a company" and that "as such, OGE has consistently treated financial interests of the company and the financial interests of the shareholders as one and the same."⁵ Thus, OGE advised, "[e]mployees who own stock in a company should be counseled that they may not participate in a particular matter affecting the company even if there is not a probable effect on the company's stock price."

Despite these apparent issues it was reported earlier this week that, "USPS officials signed off on DeJoy's financial filings and told CNN that he is in compliance with federal ethics rules." Additionally, USPS Senior Ethics Counsel Jessica Brewster-Johnson stated:

"Decisions regarding XPO contracts are made at much lower levels in the organization. If, however, an issue relating to XPO came before Postmaster General DeJoy, he would be obligated to recuse himself

¹ CNN, *Financial disclosures reveal postmaster general's business entanglements and likely conflicts of interest, experts say*, 8/12/20, <https://www.cnn.com/2020/08/12/politics/postal-service-dejoy-conflicts-amazon-trades-xpo-stake/index.html>

² NY Times, *DeJoy Earned Millions From Company With Financial Ties to Postal Service*, 8/18/20, <https://www.nytimes.com/2020/08/17/us/politics/dejoy-postal-service-blue-in-voting.html>

³ Id.

⁴ U.S. Office of Gov't Ethics, *Conflict of Interest Analysis for Stocks under 18 U.S.C. § 208*, LA-20-03, May 1, 2020, <https://bit.ly/37V1Bjk>.

⁵ Id.

or, if recusal were not practicable, the Ethics Office would require divestiture. To date, no such issue has arisen.”⁶

Along with ethics experts my office has consulted with, I find this conclusion disturbingly limited especially as Mr. DeJoy has continued to make investments directly in companies related to key USPS activities, as is apparent through his purchase of Amazon stock options.⁷ While the USPS Inspector General has opened an investigation into Mr. DeJoy’s conduct and these ethical questions, I’m also concerned with the general administration of the USPS Ethics Office in light of these recent questions. OGE has the power and responsibility to address any failures of that office under 5 CFR 2638.108(a)(14) which states:

“The Office of Government Ethics orders such corrective action on the part of an agency as the Director deems necessary, pursuant to subpart D of this part, and such corrective action on the part of individual executive branch employees as the Director deems necessary, pursuant to subpart E of this part.”^{8[4]}

While direct oversight and authority over the ethical questions surrounding Mr. DeJoy and any of his colleagues at the USPS falls under that agency’s direct jurisdiction, OGE still retains the responsibility of overseeing the USPS’s proper administration of its ethics program while you retain the power to order corrective action as you deem necessary.

In response to the questions around Mr. DeJoy’s conflicts of interest and the USPS Ethics Office’s addressing them, please provide the following information:

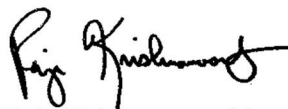
1. What oversight measures has OGE used to ensure the USPS is properly administering its ethics programs?
2. Has OGE opened any inquiries or investigations into whether USPS is failing to fully and properly administer its ethics programs in accordance with OGE rules?
3. Did reports and inquiries surrounding Mr. DeJoy’s conflicts of interest precipitate any review of USPS’ ethics program?
4. Have ethical questions around any other executive branch officials led to inquiries into the administration of USPS ethics programs by OGE?

Finally, please provide us with copies of the following records:

1. Any records of OGE inquiries into the failure of USPS to properly administer its ethics program.
2. Any records of OGE recommendations or guidance for addressing the failure of USPS to properly enforce or administer its ethics programs.
3. All guidance, correspondence, or other records provided to OGE by the White House, the Office of the Vice President and/or Mr. DeJoy regarding OGE’s oversight of USPS’ ethics programs.
4. All documents demonstrating that OGE has taken affirmative steps to monitor the USPS ethics programs.

Please provide answers to my office no later than September 8th.

Sincerely,



Raja Krishnamoorthi
Member of Congress

⁶ Id.

⁷ NN, *Financial disclosures reveal postmaster general's business entanglements and likely conflicts of interest, experts say*, 8/12/20, <https://www.cnn.com/2020/08/12/politics/postal-service-dejoy-conflicts-amazon-trades-xpo-stake/index.html>

⁸ [5 CFR 2638.108\(a\)\(14\)](#)